

**UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

In the Matter of:

ENMAX Energy Marketing Inc.

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Docket No. EA264- **A**

**APPLICATION OF ENMAX ENERGY MARKETING INC.
FOR RENEWAL OF AUTHORIZATION TO TRANSMIT
ELECTRIC ENERGY TO CANADA**

On May 30, 2002 the Office of Fossil Energy ("FE") of the Department of Energy ("DOE") issued Order No. EA-264 authorizing ENMAX Energy Marketing Inc. ("ENMAX" or "the Applicant") to transmit electric energy from the United States to Canada as a power marketer using international electric transmission facilities. That two-year authorization will expire on May 30, 2004.

ENMAX submits this application ("Application") for renewal of blanket authorization to transmit electricity from the United States to Canada under Section 202 of the Federal Power Act, 16 U.S.C. Section 824(a) and Section 205.300 *et seq.* of the Rules of the DOE, 10 C.F.R. Part 205 (2001). ENMAX requests that the DOE grant this authorization for a five year term beginning upon the expiration date of ENMAX's current authorization.

I. INTRODUCTION

The relevant characteristics of ENMAX described in this application are virtually identical to those for which export authority had previously been granted to ENMAX in FE Order EA-264. ENMAX is an Alberta corporation having its principal place of business at Calgary, Alberta, Canada. ENMAX is in the

business of marketing electricity in the United States and Canada and exports electricity into Canada for sales to Canadian utilities, power marketers and end-use customers. ENMAX takes title to electricity exported to Canada at various points in the U.S. and transmits that power over the facilities of intervening transmission providers to the border crossing points listed in Exhibit C. ENMAX and its affiliates have no franchised service territory in the United States nor do they own or control generation or transmission assets in the United States. ENMAX has secured authority from the Federal Energy Regulatory Commission to sell power in the U.S. at market-based rates in Docket No. ER 01-2508.

ENMAX is a wholly owned subsidiary of ENMAX Energy Corporation ("ENMAX Energy"), which in turn is a wholly owned subsidiary of ENMAX Corporation. ENMAX Corporation is wholly owned by The City of Calgary. ENMAX Corporation was established to carry on the electric utility transmission and distribution operations previously carried on by the Calgary Electric System, a former department of The City of Calgary.

In addition to ENMAX Energy, ENMAX Corporation also owns ENMAX Power Corporation ("ENMAX Power"), which owns the electrical transmission and distribution system in the Calgary area¹. Access to the ENMAX Power transmission system is provided by the Alberta Electric System Operator, an Independent System Operator which provides open access and non-discriminating

¹ On January 1, 2003, ENMAX Power Services, a wholly owned subsidiary of ENMAX Power, assumed responsibility for certain unregulated functions previously managed by ENMAX Energy such as building, maintaining and operating electronic communications, commercial and street lighting, light rail transit electrical systems and related power services.

transmission service comparable to those provided by U.S. transmission providers under the FERC's OATT.

ENMAX Energy is a licensed and registered energy retailer in the Province of Alberta, Canada, and provides energy and energy-related products and services to residential, commercial and industrial customers throughout Alberta. As a wholly owned subsidiary of ENMAX Energy, ENMAX currently participates in the wholesale trading of energy within Canada and holds permits issued by the Canadian National Energy Board authorizing the export of electricity from Canada to the United States.

II. APPLICATION FOR RENEWAL OF AUTHORIZATION TO TRANSMIT ELECTRIC ENERGY TO CANADA

As noted, ENMAX is a power marketer and engages in the purchase and sale of energy and capacity in wholesale electric markets. ENMAX exports electricity to Canada using the transmission facilities of public utilities, and other entities listed in Exhibit C.

III. INFORMATION PURSUANT TO 10 C.F.R. 205.302 *ET SEQ.*

The following information is supplied in accordance with the requirements set forth in Section 205.302 *et. seq.* of DOE's regulations:

- (a) The exact legal name of the applicant:

ENMAX Energy Marketing Inc.

- (b) The exact legal name of all partners:

None.

- (c) The name, title, post office address, and telephone number of the person to whom correspondence in regard to the application shall be addressed:

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- (d) The state or territory under the laws of which the applicant is organized or incorporated, or authorized to operate. If the applicant is authorized to operate in more than one state, all pertinent facts shall be included.

ENMAX is incorporated and authorized to conduct business under the laws of the Province of Alberta, Canada and is authorized to engage in wholesale electric power and energy transactions at market-based rates in the U.S. by the Federal Energy Regulatory Commission.

- (e) The name and address of any known Federal, State or local government agency which may have any jurisdiction over the action to be taken in this application and a brief description of that authority.

The Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

The Federal Energy Regulatory Commission regulates the rates for the transmission and sale of electric energy in wholesale commerce.

- (f) A description of the transmission facilities through which the

electric energy will be delivered to the foreign country, including the name of the owners and the location of any remote facilities.

ENMAX currently purchases transmission from Snohomish County PUD who sells Point to Point transmission in the secondary non-firm market allowing ENMAX to export energy at the following locations:

Owner	Location	Voltage	Presidential Permit Number
BPA	Blaine, WA	2-500 kV	PP-10
BPA	Nelway, WA	230 kV	PP-36
BPA	Nelway, WA	230 kV	PP-46

From time to time ENMAX will enter into agreements with third parties that involve the export of electric power. To the extent necessary, ENMAX also requests blanket authority to enter into transmission agreements for the export of electricity to Canada. ENMAX will transmit electric energy through the international transmission facilities of various public utilities and other entities listed in Exhibit C, pursuant to their respective Presidential Permits as well as any additional facilities approved by DOE during the term of its renewed authorization.

- (g) A technical discussion of the proposed electricity export's reliability, fuel use and system stability impact on the applicant's present and prospective electric power supply system. Applicant must explain why the proposed electricity export will not impair the sufficiency of electric supply on its system and why the export will not impede or tend to impede the regional coordination of electric utility planning or operation.

ENMAX understands that arrangements to transmit energy to the international border require ENMAX to enter into transmission service agreements with transmission providers, and that such agreements are separate and apart from the granting of this Application. The transmission of electric energy by ENMAX across the transmission system of such providers will not impair the sufficiency of the United States electric supply because the power exported (net of any transmission losses) will only be on transmission lines with available capacity.

ENMAX enters into all necessary commercial arrangements and obtains all other regulatory approvals required to effect any power exports. In particular, ENMAX (i) schedules each transaction with the appropriate transmission utility and/or control area operator in accordance with good utility practice, and (ii) obtains transmission from available transmission capacity over the existing facilities listed in Exhibit C. In accordance with DOE practice, ENMAX requests the DOE to utilize the reliability analysis performed in connection with the most recent export authorization proceedings for relevant facilities. ENMAX's exports to Canada will not impair the sufficiency of the United States electric supply because such exports will come from energy and/or capacity not needed to supply the requirements of native load or wholesale customers. Moreover, as with other power marketers, ENMAX does not have a franchised utility obligation to provide a specific service in any United States service territory.

ENMAX's proposed export of electricity to Canada should not burden regional transmission facilities, or adversely effect the regional coordination of

electric utility planning or operations. ENMAX will transmit all of the power designated for export to Canada over existing transmission lines and in accordance with the transmitting utilities' existing capabilities and operating procedures.

Because ENMAX does not own transmission border facilities, it purchases transmission service at the border with Canada from the providers listed in Exhibit C. All such services are purchased from the relevant providers and used by ENMAX in accordance with the respective authorizations for those facilities. Thus, ENMAX will comply with all applicable reliability and technical standards set forth in the relevant licenses. To the extent such licenses cap the amount of power to be exported, ENMAX shall comply with the restrictions imposed on each transmission system and facility. During the term of its export authorization, ENMAX only will use the international transmission facilities which have been issued authorizations by the DOE. Thus, by complying with the FERC requirements and export limits imposed by DOE on the aforementioned transmission facilities, ENMAX's proposed exports would not adversely effect transmission facilities or impede the coordinated use of transmission facilities.

ENMAX recognizes that the Department of Energy attaches general conditions to the approval of export applications, and ENMAX agrees to abide by these conditions. As a power marketer, ENMAX requests blanket approval for exports according to the terms contained in this Application.

- (h) Signature and verification under oath by an officer of the applicant having knowledge of the matters set forth therein

This application has been verified under oath by an officer of the Applicant, with knowledge of the matters set forth herein. The verification is attached to this Application as Exhibit G.

IV. EXHIBITS PURSUANT TO 10 C.F.R. § 205.303

In accordance with 10 C.F.R. 205.303, the required exhibits are attached to this Application.

- (a) **Exhibit A** is not applicable. The only relevant agreement is with Snohomish County Public Utility District No. 1 ("Snohomish Country PUD") under which ENMAX transmits electricity to Canada. This arrangement is described in Section III (f) of this application.
- (b) **Exhibit B** provides signed opinions of U.S. and Canadian/Provincial counsel.
- (c) **Exhibit C** contains the specific transfer points and Presidential Permits ENMAX will use to export electricity.
- (d) **Exhibit D** (is the designation of power of attorney by applicant having principal office outside of the United States.)
- (e) **Exhibit E** (statement of corporate relationship between applicant and any other person which in any way relates to the control or fixing of rates for the purchase, sale or transmission of electric energy) is not applicable.

- (h) **Exhibit H** is not applicable. ENMAX's market rate authority was approved by FERC in Docket No. ER01-2508.

V. REQUEST FOR EXPEDITED ACTION & CONCLUSION

Because ENMAX is exporting electricity under the existing authorization, ENMAX respectfully requests an expedited processing of this application in order to avoid any lapse in export authority. The Applicant respectfully requests the DOE to expeditiously consider and grant the request for blanket authority at the earliest possible date but no later than May 30, 2004.

For the reasons stated herein, DOE should grant ENMAX authorization to export electric energy to Canada for a five year term.

Respectfully submitted,

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April 5, 2004

Exhibit A

Electricity Agreements

Not Applicable.

Exhibit B

Legal Opinions of U.S. and Canadian Counsel

General System and Detailed Facility Maps

<u>Owner</u>	<u>Location</u>	<u>Voltage</u>	<u>Presidential Permit No.</u>
Basin Electric Power Cooperative	Tioga, ND	230-kV	PP-64
Boise Cascade	International Falls, MN	115-kV	PP-96
	International Falls, MN	6.6-kV	PP-39
BPA	Blaine, WA	2-500kV	PP-10
	Nelway, WA	230kV	PP-36
	Nelway, WA	230-kV	PP-46
Eastern Maine Electric Cooperative	Calais, ME	69-kV	PP-32
International Transmission Company	St. Clair, MI	345-kV	PP-230
	Marysville, MI	230-kV	PP-230
	Detroit, MI	230-kV	PP-230
	St. Clair, MI	345-kV	PP-230
Joint Owners of Highgate Project	Franklin, VT	120-kV	PP-82
Long Sault, Inc.	Massena, NY	2-115-kV	PP-24
Maine Electric Power Company	Houlton, ME	345-kV	PP-43
Maine Public Service Company	Limestone, ME	69-kV	PP-12
	Fort Fairfield, ME	69-kV	PP-12
	Aroostock County, ME	138-kV	PP-29
	Madawaska, ME	2-69-kV	PP-29
Minnesota Power, Inc.	International Falls, MN	115-kV	PP-78
Minnkota Power Cooperative, Inc.	Roseau County, MN	230-kV	PP-61
New York Power Authority	Ft. Covington, NY	765-kV	PP-56
	Massena, NY	2-230kV	PP-25
	Niagara Falls, NY	2-345kV	PP-74
	Devils Hole, NY	230-kV	PP-30
Niagara Mohawk Power Corp.	Devils Hole, NY	230-kV	PP-190
Northern States Power Company	Red River, ND	230-kV	PP-45
	Roseau County, MN	500-kV	PP-63
Northern States/Xcel	Rugby, ND	230-kV (not built)	PP-231
Vermont Electric Coop Co.	Derby Line, VT	120-kV	PP-66
Vermont Electric Transmission Co.	Norton, VT	± 450-kV (DC)	PP-76